

**Edmonton Chamber of  
Voluntary Organizations**

**Financial Statements**

**December 31, 2016**

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# Edmonton Chamber of Voluntary Organizations

## Financial Statements

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December 31, 2016

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## Independent Auditors' Report

### To the Members of Edmonton Chamber of Voluntary Organizations

We have audited the accompanying financial statements of Edmonton Chamber of Voluntary Organizations, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Edmonton Chamber of Voluntary Organizations as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Canada  
April 5, 2017

  
Chartered Professional Accountants

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## Edmonton Chamber of Voluntary Organizations

### Statement of Operations

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| For the year ended December 31,                          | 2016               | 2015             |
|--|--------------------|------------------|
| <b>Revenues</b>  |                    |                  |
| Operating grants (note 6)                                | \$ 246,501         | \$ 255,404       |
| Project grants (note 6)                                  | 389,641            | 365,346          |
| Membership fees  | 26,055             | 19,830           |
| Interest   | 1,700              | 1,855            |
| Fees and miscellaneous                                   | 43,715             | 66,234           |
| Expense reimbursements                                   | 49,991             | 40,577           |
|  | <b>757,603</b>     | <b>749,246</b>   |
| <b>Expenditures</b>                                      |                    |                  |
| Governance   | 10,962             | 11,403           |
| Human resources  | 515,139            | 400,522          |
| Marketing and communications                             | 19,636             | 28,837           |
| Office operations  | 58,208             | 33,488           |
| Organizational operations                                | 22,339             | 43,812           |
| Sector services  | 101,811            | 143,238          |
| Research and analysis                                    | 45,611             | 65,561           |
|  | <b>773,706</b>     | <b>726,861</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>\$ (16,103)</b> | <b>\$ 22,385</b> |

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## Edmonton Chamber of Voluntary Organizations

### Statement of Changes in Net Assets

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For the year ended December 31, 2016

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|   | Unrestricted Capital assets |           | Internally<br>restricted<br>reserve | Total<br>2016 | Total<br>2015 |
|---|-----------------------------|-----------|-------------------------------------|---------------|---------------|
| <b>Balance, beginning of<br/>year</b>                   | \$ 23,873                   | \$ 6,139  | \$ 100,032                          | \$ 130,044    | \$ 107,659    |
| Excess (deficiency) of<br>revenues over<br>expenditures | (14,669)                    | (2,567)   | 1,133                               | (16,103)      | 22,385        |
| Purchase of assets                                      | (10,885)                    | 10,885    | -                                   | -             | -             |
| <b>Balance, end of year</b>                             | \$ (1,681)                  | \$ 14,457 | \$ 101,165                          | \$ 113,941    | \$ 130,044    |

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# Edmonton Chamber of Voluntary Organizations

## Statement of Financial Position

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December 31, 2016 2015

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### Assets

#### Current

|                          |            |            |
|--------------------------|------------|------------|
| Cash                     | \$ 109,788 | \$ 307,221 |
| Accounts receivable      | 29,632     | 23,962     |
| Restricted cash (note 5) | 101,165    | 100,032    |

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240,585 431,215

Equipment and leaseholds (note 3) 14,457 6,139

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\$ 255,042 \$ 437,354

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### Liabilities

#### Current

|  |           |           |
|--|-----------|-----------|
| Accounts payable and accrued liabilities | \$ 24,837 | \$ 22,693 |
| Unearned contributions (note 4)          | 116,264   | 284,617   |

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141,101 307,310

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### Net Assets

|  |         |         |
|--|---------|---------|
| Unrestricted                           | (1,681) | 23,873  |
| Capital assets                         | 14,457  | 6,139   |
| Internally restricted reserve (note 5) | 101,165 | 100,032 |

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113,941 130,044

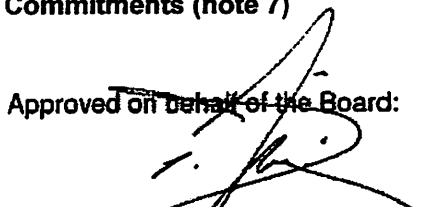
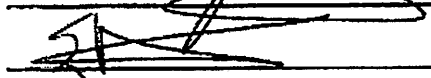
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\$ 255,042 \$ 437,354

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### Commitments (note 7)

Approved on behalf of the Board:

Chairperson

Treasurer

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## Edmonton Chamber of Voluntary Organizations

### Statement of Cash Flows

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| For the year ended December 31,                   | 2016        | 2015       |
|---|-------------|------------|
| <b>Cash provided by (used for)</b>                |             |            |
| <b>Operating activities</b>                       |             |            |
| Excess (deficiency) of revenues over expenditures | \$ (16,103) | \$ 22,385  |
| Item not affecting cash                           |             |            |
| Amortization                                      | 2,567       | 1,983      |
|   | (13,536)    | 24,368     |
| Change in non-cash working capital items          |             |            |
| Accounts receivable                               | (5,670)     | (16,160)   |
| Accounts payable and accrued liabilities          | 2,144       | 4,270      |
| Unearned contributions                            | (168,353)   | 39,736     |
|   | (185,415)   | 52,214     |
| <b>Investing activities</b>                       |             |            |
| Restricted cash                                   | (1,133)     | (18,059)   |
| Purchase of equipment and leaseholds              | (10,885)    | -          |
|   | (12,018)    | (18,059)   |
| <b>Increase (decrease) in cash</b>                | (197,433)   | 34,155     |
| <b>Cash, beginning of year</b>                    | 307,221     | 273,066    |
| <b>Cash, end of year</b>                          | \$ 109,788  | \$ 307,221 |

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2016

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### 1. Nature of operations

Edmonton Chamber of Voluntary Organizations was incorporated under the Alberta Companies Act as a non-profit organization in 2002.

The objectives of the Organization are to advance by promoting the study, understanding and appreciation of Canada's voluntary sector and the role of the volunteer, by strengthening the effectiveness and capacity of the voluntary sector and the role of the volunteer.

The Organization is a registered charity under the Income Tax Act of Canada and as long as it continues to meet the requirements of the Act, is not taxable.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Interest income is recorded on the accrual basis.

Fees, memberships and miscellaneous revenue are recognized as income in the year received.

#### (b) Equipment and leaseholds

Equipment and leaseholds are recorded at cost. The Organization provides for amortization using the following methods at rates designed to amortize the cost of the assets over their estimated useful lives, as set out below.

When equipment and leaseholds are sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.

|                        |                       |
|------------------------|-----------------------|
| Furniture and fixtures | 20% Declining balance |
| Leasehold improvements | 5 years Straight-line |
| Computer equipment     | 30% Declining balance |



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## Edmonton Chamber of Voluntary Organizations

### Notes to the Financial Statements

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December 31, 2016

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#### 2. Significant accounting policies (continued)

##### (c) Contributed services

Board members contributed time to assist the Organization in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

##### (d) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Organization subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

The Organization subsequently measures no financial assets and financial liabilities at fair value.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

##### (e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

##### (f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

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## Edmonton Chamber of Voluntary Organizations

### Notes to the Financial Statements

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December 31, 2016

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#### 3. Equipment and leaseholds

|                        | 2016             |                          |                  | 2015            |
|------------------------|------------------|--------------------------|------------------|-----------------|
|                        | Cost             | Accumulated amortization | Net book value   | Net book value  |
| Furniture and fixtures | \$ 5,043         | \$ 2,138                 | \$ 2,905         | \$ 3,631        |
| Leasehold improvements | 10,885           | 1,089                    | 9,796            | -               |
| Computer equipment     | 4,215            | 2,459                    | 1,756            | 2,508           |
|                        | <b>\$ 20,143</b> | <b>\$ 5,686</b>          | <b>\$ 14,457</b> | <b>\$ 6,139</b> |

Office operations includes amortization of \$2,567 (2015: \$1,983)

#### 4. Unearned contributions

Unearned contributions represents funds received for programs and will be recognized as revenue in the fiscal year in which the related expenses are incurred. Changes in deferred contributions are as follows:

|   | 2016              | 2015              |
|---|-------------------|-------------------|
| Balance, beginning of year                            | \$ 284,617        | \$ 244,881        |
| Less: amounts recognized as revenue during the year   | (252,249)         | (244,881)         |
| Add: amounts received relating to a subsequent period | 83,896            | 284,617           |
|   | <b>\$ 116,264</b> | <b>\$ 284,617</b> |

#### 5. Restricted cash and reserve account

The Board of Directors established an internally restricted reserve fund for the Organization which is represented by a bank account.

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## Edmonton Chamber of Voluntary Organizations

### Notes to the Financial Statements

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December 31, 2016

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#### 6. Grants

|                         | 2016              | 2015              |
|-------------------------|-------------------|-------------------|
| Government of Alberta   | \$ 125,000        | \$ 125,000        |
| City of Edmonton        | 89,833            | 99,204            |
| United Way              | 31,668            | 31,200            |
| <b>Operating grants</b> | <b>\$ 246,501</b> | <b>\$ 255,404</b> |

|                               | 2016              | 2015              |
|-------------------------------|-------------------|-------------------|
| City of Edmonton - FCSS       | \$ 72,066         | \$ 66,060         |
| City of Edmonton - Other      | 56,082            | 162,803           |
| Edmonton Community Foundation | 84,640            | 59,600            |
| United Way                    | -                 | 50,000            |
| Alberta Health Services       | 8,500             | 12,000            |
| Edmonton Heritage Council     | -                 | 15,000            |
| The Support Network           | -                 | 7,033             |
| Volunteer Alberta             | -                 | 2,586             |
| Government of Alberta         | -                 | 30,000            |
| Deferred revenue - opening    | 284,617           | 244,881           |
| Deferred revenue - closing    | (116,264)         | (284,617)         |
| <b>Project grants</b>         | <b>\$ 389,641</b> | <b>\$ 365,346</b> |

#### 7. Commitments

The Organization and two other organizations are joint tenants on an office lease that expires January 31, 2021. The Organization's share of base rent and operating costs is approximately \$1,047 per month.

|      |                  |
|------|------------------|
| 2017 | \$ 12,566        |
| 2018 | 12,566           |
| 2019 | 12,566           |
| 2020 | 12,566           |
| 2021 | 1,047            |
|      | <b>\$ 51,311</b> |

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## **Edmonton Chamber of Voluntary Organizations**

### **Notes to the Financial Statements**

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**December 31, 2016**

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#### **8. Financial instruments**

Transacting in and holding of financial instruments exposes the Organization to certain financial risks and uncertainties. These risks include:

(a) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization's exposure to liquidity risk relates to accounts payable and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through regular review of expected cash flows.

#### **9. Comparative amounts**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.